

KY TEACHERS' RETIREMENT SYSTEM
479 Versailles Road, Frankfort, Kentucky 40601
September 20, 2004

2005 KTRS Retiree Open Enrollment *September 27 – October 29, 2004*

Total Re-enrollment – You must complete an application to obtain 2005 coverage. KTRS will not assign coverage without a completed application. Please be sure to complete ALL of Sections I and II (and Section III if enrolling dependents). Sign, date and return your application by the Open Enrollment deadline.

KTRS Retirees and Eligible Dependents under Age 65:

This is the same health insurance plan offered to active teachers, Kentucky Retirement System retirees and public employees. Please read the enclosed Health Insurance Handbook carefully as there are a number of changes for the 2005 plan year. Regional carriers are mailing provider booklets to retirees. Carriers will also attend Benefit Fairs listed in the Handbook on pages 12-13.

PLAN DESIGN CHANGES

- ***Carrier Availability*** - One carrier available per region (see Carrier Availability pages 18-19)
- ***Plan Type*** – PPO *only* (see Benefit Grid pages 20-22) (*No HMO, POS, or EPO*)
- ***Plan Codes*** – Anthem 463; Bluegrass 093; CHA 103; United Healthcare 323
- ***Plan Options*** – Preferred, Essential, and Premium (see Benefit Grid pages 20-22) (*No Option A or B*) Review the benefit options. KTRS strongly recommends you study the different deductibles, out-of-pocket maximums, and co-insurance percentages to assist you in selecting the plan that best meets your family's medical and financial needs.
- ***Deductibles and Co-insurance*** (see Benefit Grid pages 20-22) (*No co-payments*)

PREMIUM CHANGES

- ***Rates*** – You will utilize the calculation chart and table on the reverse side of this letter. The table is the same as the single coverage for active teachers and public employees with the non-smoking discount; however, law does not permit KTRS to subsidize beyond single coverage and the table has been adjusted accordingly for Parent Plus, Couple, and Family.
- ***Incentive for Non-Smokers*** – Smokers will pay an additional \$15 for single coverage, and \$30 for Parent Plus, Couple, or Family. Smokers must indicate smoking status as of July 1, 2004 on the insurance application.
- ***Spouses*** of retirees who currently pay full premium for their coverage will continue to do so by paying the following amounts (The chart and table on reverse side do not apply):
Spouse Single - \$365 Preferred, \$321 Essential, \$401 Premium;
Spouse Parent Plus - \$547 Preferred, \$482 Essential, \$602 Premium.
- ***Cross-Reference*** – The State Group Health Plan does not offer cross-referencing in 2005.

OUT OF STATE RETIREES NOT BORDERING KENTUCKY – May choose coverage only in the Kentucky region from which they *retired*. If unable to utilize network providers, these retirees may be subject to “out-of-network” benefits.

OUT OF STATE RETIREES WHO LIVE IN A COUNTY BORDERING KENTUCKY may only choose coverage available in the Kentucky region they border.

RE-EMPLOYED RETIREES – If your active employment makes you eligible for coverage through the State Group Health Plan, you are not eligible for health insurance through KTRS. If you are re-employed in a KTRS *covered* position and eligible for health insurance, you are not eligible for health insurance through KTRS. You must waive your coverage at KTRS by completing an application with the plan code “999” and indicate you are re-employed.

QUESTIONS regarding covered services, providers, or networks should be directed to the carrier at the numbers listed on page 87 of the enclosed Health Insurance Handbook. All other questions may be directed to:

Kentucky Personnel Cabinet, Department for Employee Insurance	888 581-8834	502 564-6534
Kentucky Teachers' Retirement System	800 618-1687	502 848-8500

SEE REVERSE SIDE

CALCULATE YOUR SHARE OF THE STATE GROUP HEALTH PLAN PREMIUM COST FOR 2005

BAND COST	+	SMOKING STATUS COST	+	YEARS OF SERVICE COST	=	YOUR SHARE OF PREMIUM COST
Using your Salary Band* Shaded in the Table , Enter the Cost Below for THE OPTION CHOSEN: Preferred PPO; Essential PPO; <i>OR</i> Premium PPO AND LEVEL OF COVERAGE: Single; Parent Plus; Couple; <i>OR</i> Family	+	<i>Non-Smoker</i> ▶ Enter \$0 <i>Smoker</i> Single ▶ Enter \$15 <i>Smoker</i> Parent +, Couple, or Family ▶ Enter \$30	+	20 or more ▶ Enter \$0 15 – 19.99 ▶ Enter \$86 10 – 14.99 ▶ Enter \$171 5 – 9.99 ▶ Enter \$257	=	FOR 2005
\$ _____	+	\$ _____	+	\$ _____	=	\$ _____

		PREFERRED PPO				ESSENTIAL PPO				PREMIUM PPO			
SBC	Salary Band	Single	Parent Plus	Couple	Family	Single	Parent Plus	Couple	Family	Single	Parent Plus	Couple	Family
01	\$12,000 or less	5	185	457	544	-	126	365	441	47	245	545	641
02	\$12,001 - \$20,000	7	187	459	546	-	129	368	444	50	248	548	644
03	\$20,001 - \$28,000	12	192	464	551	-	139	378	454	60	258	558	654
04	\$28,001 - \$36,000	17	197	469	556	-	149	388	464	70	268	568	664
05	\$36,001 - \$44,000	22	202	474	561	-	159	398	474	80	278	578	674
06	\$44,001 - \$52,000	27	207	479	566	5	164	403	479	90	288	588	684
07	\$52,001 - \$60,000	32	212	484	571	10	169	408	484	100	298	598	694
08	\$60,001 - \$68,000	37	217	489	576	15	174	413	489	110	308	608	704
09	\$68,001 - \$76,000	42	222	494	581	20	179	418	494	120	318	618	714
10	\$76,001 and above	47	227	499	586	25	184	423	499	130	328	628	724

* Based upon KTRS' calculations, your applicable salary band has been shaded, and was derived by multiplying your GROSS June 2004 retirement by 12 months.